



**METROPOLITAN  
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COMMISSION**

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## *Memorandum*

TO: Administration Committee

DATE: July 2, 2008

FR: Deputy Executive Director, Policy

RE: Contract Amendment – Professional Technical Service For Replacement of the Advanced Toll Collection & Accounting System (ATCAS) on the State-owned Bridges: PricewaterhouseCoopers, LLP

Staff recommends amending MTC's auditing contract with PricewaterhouseCoopers, LLP (PWC) to include support for internal control review and validation for the development and implementation of a new toll collection system for the state-owned bridges in the Bay Area in an amount not to exceed \$1,025,200.

### Background

In June 2008, staff recommended to the BATA Oversight Committee that BATA begin development of a detailed technical specification and procurement document to replace the current ATCAS system. The current toll collection system is 12 years old and is increasingly more expensive to maintain and operate. Three firms were selected to provide project management and technical assistance for the development of the procurement documents and implementation of the project.

PricewaterhouseCoopers, LLP has been under contract to provide external audit services and internal control reviews for MTC, MTC SAFE, BATA, and BAIFA. In the process of reviewing internal controls, the firm has developed a detailed understanding of the current ATCAS toll collection and accounting system, the interfaces, subsystems and the related controls. As BATA's external auditor PWC is responsible for internal control reviews. ATCAS represents the most complex internal control structure within the agency. Staff proposes to combine PWC's expertise in accounting and internal controls to review and test the new accounting and interface controls built into the new system. From a development and control standpoint, it is better to have the controls reviewed, tested and validated in development rather than field tested after the system is developed.

PWC will provide professional services in support of the acquisition and implementation of a replacement toll collection system as they relate to assessment, system implementation, interfaces, internal controls and system testing issues.

### Recommendation

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with PricewaterhouseCoopers LLP, to review and test the new accounting and interface controls that will be built into the new ATCAS system in an amount not to exceed \$1,025,200 for FY 2008-09 through FY 2010-11. Funds have been budgeted under the ATCAS II Replacement Project.

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Therese W. McMillan

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Consultant Contract Amendments

Work Item No.:	1252
Consultant:	PricewaterhouseCoopers, LLP
Work Project Title:	ATCAS II Replacement Project
Purpose of Project:	To provide professional services for the inclusion of internal controls in the new toll collection system.
Brief Scope of Work:	Review internal controls in support of the acquisition and implementation of a replacement toll collection system as they relate to risk assessment, system implementation, interfaces, and system testing issues.
Project Cost Not to Exceed:	\$1,025,200 this amendment (currently contract value is \$2,245,643)
Funding Source:	Toll Bridge Rehabilitation Funds
Fiscal Impact:	Project costs are budgeted
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with PricewaterhouseCoopers, LLP to review internal controls in support of the ATCAS II Replacement Project as they relate to risk assessment, system implementation, interfaces, and system testing issues and the Chief Financial Officer is authorized to set aside funds in the amount of \$1,025,200 for such contract.
Administration Committee:	<hr/> Tom Bates, Vice Chair
Approved:	Date: July 9, 2008